

# Project Management Processes Audit – Terms of Reference

## ISSUE

This report seeks approval of the Terms of Reference for the Project Management Processes Audit (Audit).

## RECOMMENDATION

That the Standing Policy Committee on Finance approve the Terms of Reference for the audit of Project Management Processes, as outlined in the report of the City Auditor dated June 7, 2023.

## BACKGROUND

The Independent Office of the City Auditor (Office) adds value to the City operations through systematic evaluation of the City's governance, risk management and control processes. The following audits are currently underway:

#	Audit Name	Audit Status
1.	Continuous Assurance	In-progress. Reporting in Sept 2023
2.	Fusion Wave 1 Implementation	In-progress. Reporting in Nov 2023
3.	Project Management Processes	Commenced. Reporting in Nov 2023

In accordance with the approved Audit Plan, the Office has commenced the audit of Project Management Processes. The City of Saskatoon (City) spends millions of dollars undertaking large and complex capital and operational projects. It is important there are strong project management practices in place. Effective project management helps in meeting business objectives, satisfy public expectations, resolve problems and issues, optimize the use of City's resources and manage change better.

## DISCUSSION/ANALYSIS

Currently, the project management function is decentralized, and the departments manage their projects. The City has established a Project Management Community of Practice Working Group (CPWG) whose vision is to foster connections among project managers and support the standardization and improvement of project management practices across the City. A Project Management Framework has been developed, which establishes a set of procedures, templates, and tools to assist in standardizing the approach to project management.

The objective of the audit is to assess if the City has strong project management processes to ensure that projects are completed timely, within budget, and meets project deliverables and public expectations. This includes evaluating the management of vendor contracts.

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In preparation for the Terms of Reference, the audit team met with various departments and CPWG members to assess the current state of managing projects within the City and reviewed key documents specific to current practices developed by the CPWG. The audit will include reviewing the current framework/practices for managing projects, reviewing records, conducting verification procedures and reviewing a sample of key and/or critical projects for assessing against project management best practices.

The areas to be covered within the audit will include comparing current project management processes against best practices, comparing economic efficiencies, project processes and documentation, project governance, vendor management, staff training and project reporting. The audit will include projects undertaken by the City and as such statutory boards and controlled corporations will be excluded from the audit.

A detailed audit report will be submitted to the Standing Policy Committee on Finance at the November 2, 2023 public meeting. The report will provide the results of the audit, including findings and recommendations, Administration response, action plan and implementation timelines. A status update and follow-up will be conducted periodically to assess whether the Administration has effectively implemented the recommendations.

### **OTHER IMPLICATIONS**

There are no financial, privacy, legal, social, or environmental implications identified.

### **NEXT STEPS**

Upon approval, the Office will execute the audit.

### **APPENDICES**

1. Project Management Processes Audit – Terms of Reference

### **REPORT APPROVAL**

Written and

Approved by: Sohail Saleem, City Auditor

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